UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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ART UNIT	PAPER NUMBER
3692	

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

	Application No.	Applicant(s)
	10/646,150	FOSS ET AL.
Office Action Summary	Examiner	Art Unit	
	ELIZABETH ROSEN	3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) ☒ Responsive to communication(s) filed on <u>18 May 2008</u>.

2a) ☐ This action is **FINAL**.   2b) ☒ This action is non-final.

3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) ☒ Claim(s) <u>1-6,8-11,13 and 15-23</u> is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) ☐ Claim(s) _____ is/are allowed.

6) ☒ Claim(s) <u>1-6,8-11,13 and 15-23</u> is/are rejected.

7) ☐ Claim(s) _____ is/are objected to.

8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) ☐ The specification is objected to by the Examiner.

10) ☒ The drawing(s) filed on <u>22 August 2003</u> is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a) ☐ All b) ☐ Some * c) ☐ None of:

      1. ☐ Certified copies of the priority documents have been received.

      2. ☐ Certified copies of the priority documents have been received in Application No. _____.

      3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.

4) ☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.

5) ☐ Notice of Informal Patent Application

6) ☐ Other: _____.

DETAILED ACTION

Status of Claims

1.   This action is in reply to the Interview on June 10, 2008 where Examiner and Applicant agreed to reopen prosecution.

2.   Claims 1, 5, 8, 11, 13, 15, and 17 have been amended.

3.   Claims 7, 12, and 14 have been canceled.

4.   Claims 21-23 have been added.

5.   Claims 1-6, 8-11, 13, and 15-23 are currently pending and have been examined.

Response to Arguments

6.   The Examiner has pointed out particular references contained in the prior art of record within the body of this action for the convenience of the Applicant.   Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply.   Applicant, in preparing the response, should consider fully the entire reference as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner.

7.   Examiner would like to point out that the Supreme Court in *KSR International Co. v. Teleflex Inc.* described seven rationales to support rejections under 35 U.S.C. 103:

- Combining prior art elements according to known methods to yield predictable results;
- Simple substitution of one known element for another to obtain predictable results;
- Use of known technique to improve similar devices (methods, or products) in the same way;
- Applying a known technique to a known device (method, or product) ready for improvement to yield predictable results;
- "Obvious to try" –choosing from a finite number of identified, predictable solutions, with a reasonable expectation of success;
- Known work in one field of endeavor may prompt variations of it for use in either the same field or a different one based on design incentives or other market forces if the variations would have been predictable to one of ordinary skill in the art; and
- Some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention.

Prior art is not limited just to the references being applied, but includes the understanding of one of ordinary skill in the art. The prior art reference (or references when combined) need not teach or suggest all the claim limitations; however, Office personnel must explain why the difference(s) between the prior art and the claimed invention would have been obvious to one of ordinary skill in the art. The "mere existence of differences between the prior art and an invention does not establish the invention's nonobviousness." see *Dann v. Johnson*, 425 U.S. 219, 230 (1976).

8.   The following is a short description of the invention in Sanchez: In Sanchez, a central database receives various information such as risk and credit data for current and potential customers. (see Paragraph 0025). Next, the system identifies customers who are to be targeted to receive an offer for a SGSG financial account. In order to identify these target customers, the system uses information from the central database. (see Paragraph 0026). Information from the central database regarding customers and potential customers is compared with specified standards for determining which customers and potential customers to target. One example is that customers with a high balance who have a propensity to mismanage funds may be targeted. Another example is that customers who have a history of making timely payments may be targeted. (see Paragraph 0027). Each target customer also receives a financial risk value and in one embodiment, this value is used to determine which target customers are to receive offers. (see Paragraphs 0028, 0029). Next, the targeted customers and potential customers are offered accounts and then the accounts are created. (see Paragraph 0037). Once the account is opened, the account is tracked, which means that the system determines whether payments have been made. (see Paragraph 0038). Based on the tracking information, action may be taken on the account (e.g., adjust interest rate, adjust credit limit, fees, waiver of fees, etc.). (see Paragraphs 0039, 0044). Next, a customer's financial risk value may be adjusted based on payment history with regard to the SGSG account. This adjustment would affect account parameters and, for example, the floor interest rate might be reduced or the credit limit might be increased. (see Paragraphs 0061, 0062).

Claim Rejections - 35 USC § 101

9.   35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

10.   **Claims 1-6, 8-11, 13, and 15-23** are rejected under 35 U.S.C. 101 because they are directed to non-statutory subject matter. Based on Supreme Court precedent, a claim must (1) be tied to another statutory class of invention (such as a particular apparatus) (see at least Diamond v. Diehr, 450 U.S. 175,

184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972);

Cochrane v. Deener, 94 U.S. 780, 787-88 (1876)) or (2) transform underlying subject matter (such as an

article or materials) to a different state or thing (see at least Gottschalk v. Benson, 409 U.S. 63, 71

(1972)). A claim that fails to meet one of the above requirements is not in compliance with the statutory

requirements of 35 U.S.C. 101 for patent eligible subject matter. Here the claims fails to meet the above

requirements because the limitations are neither tied to another statutory class of invention (such as a

particular apparatus) nor physically transform underlying subject matter (such as an article or materials) to

a different state or thing. Claims must be written so that they are not in effect claiming software.

Claim Rejections - 35 USC § 112

11.   The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of
> making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to
> which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the
> best mode contemplated by the inventor of carrying out his invention.

12.   **Claim 10** is rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written

description requirement.   The claim(s) contains subject matter which was not described in the

specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s),

at the time the application was filed, had possession of the claimed invention. Claim 10 includes the

limitation of "wherein said account management component performs account management and

maintenance based upon said risk models." It is unclear what is meant by this limitation. It appears that

the specification does not explain this limitation and give an example of how account management and

maintenance are performed based upon the risk models.

13.   The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the
> subject matter which the applicant regards as his invention.

14.   **Claims 3, 8-11, 13, 17, and 23** are rejected under 35 U.S.C. 112, second paragraph, as being

indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards

as the invention.

15.   Claims 3, 8-10, 13, and 23 include the limitation of "risk model." It is unclear what is meant by this

limitation. For example, the specification states that the risk models determine new underwriting criteria.

However, Claim 3 states that the risk model is coupled to the underwriting component and it models risk

associated with the account. How does the risk model determine new underwriting criteria when it also

models risk associated with the account? It appears that the risk model should be unrelated to the account and it should model risk according to trends or market conditions. What is the function of the risk model?

16.   Claim 11 is indefinite because it is unclear whether the claim relates to establishing new accounts or whether it relates to existing accounts and determining new criteria for new accounts. For example, is the "plurality of accounts" a plurality of accounts of a single customer? Rather, is the transaction data from a large group of accounts aggregated? If the latter is true, then how are the available services modified based on this data? What types of services are being modified?

17.   Claim 17 includes the limitation of "wherein the step of aggregating transaction data comprises the step of receiving transaction information regarding financial transactions associated with the financial account." In Claim 11, data regarding a plurality of accounts is aggregated. In Claim 17, data regarding the financial account is aggregated. In Claim 17, is this the only type of data that is aggregated? This interpretation would not be consistent with Claim 11. Alternatively, in Claim 17, is the financial account data in addition to the data regarding a plurality of accounts?

Claim Rejections - 35 USC § 103

18.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

19.   **Claims 1-4 and 8** are rejected under 35 U.S.C. 103(a) as being unpatentable over **Sanchez** et al., U.S. Patent Application Publication Number 2002/0188533 A1 in view of **Spitz** et al., U.S. Patent Application Publication Number 2002/0139837 A1.

Claim 1:

Sanchez discloses the limitations of:

- *a data collection component, wherein said data collection component is operable to receive account option data and account formation data pertaining to a customer* (see at least Sanchez, Paragraph 0026 ("According to one aspect of the invention, system 1000 may allow financial account provider 1200 to identify specific target customers to receive an offer for a Start Good Stay Good (SGSG)

financial account consistent with certain principles related to the present invention (Step 210). To identify a target customer, system 1000 may allow financial account provider 1200 to access central database 1300 to obtain financial account information associated with potential customers. The financial account information may include, for example, financial account data for customers of financial account provider 1200, such as account numbers and account parameters for each credit line associated with a customer. … A potential customer may be an individual who may not have a financial account with financial account provider 1200, but may be targeted as an individual whom financial account provider 1200 may want to offer a SGSG credit card product."));

- *a decision engine operable to qualify the customer for an account based at least in part on said formation data and said account option data* (see at least Sanchez, Paragraph 0027 ("System 1000 may utilize the information included in central database 1300 to identify the target customers to extend offers for a SGSG financial account. For example, system 1000 may allow financial account provider 1200 to target customers with a propensity to mismanage funds (e.g., carry a high balance, have declared bankruptcy, etc.). Alternatively, financial account provider 1200 may target customers who have a history of making timely payments, have a high income, etc.)) and Paragraph 0029 ("In one configuration consistent with criteria principles related to the present invention, financial account provider 1200 may generate an offer to a target customer based on the financial risk associated with that customer."));

- *an account creation component operable to establish an account for the qualified customer based at least in part on the account option data and account formation data* (see at least Sanchez, Figure 3, Item 320 and Paragraph 0037 ("Once it receives their response, financial account provider 1200 may create a SGSG account associated with the customer in central database 1300 (Step 320)."));

- *an account management component operable to perform periodic account management and maintenance of said financial account* (see at least Sanchez, Figure 4 and Paragraph 0038 ("The SGSG tracking process may be performed by financial account provider 1200 for each SGSG account stored in central database 1300. The tracking process may begin by financial account provider 1200 determining whether a payment associated with a customer's account is due (Step 405). … Once a payment is due (Step 405: YES), financial account provider 1200 determines whether a payment has been received (Step 410).

System 1000 may also allow financial account provider 1200 to determine whether the payment meets certain criteria, such as whether the payment amount equals or exceeds the amount due.")); and

- *a data aggregation module coupled with the account management component and the decision engine, and configured to aggregate data associated with the transactions and provide feedback information to the decision engine and the account management component* (see at least Sanchez, Paragraph 0061 ("Furthermore, the financial account provider 1200 may adjust a customer's financial risk value based [on] the customer's progress in satisfying the payment criteria associated with a SGSG financial account. For example, a customer may be provided a SGSG financial account with parameters that are defined based on the credit risk of the customer (e.g., an initial interest rate of 20% and credit limit of $500). After a predetermined amount of time, financial account provider 1200 may re-evaluate the customer's credit risk and make adjustments to the account parameters based on a monitored progress of the customer satisfying criteria associated with the financial account (e.g., making consecutive timely proper payments). These adjustments may be in addition to adjustments previously made to the account's parameters based on proper payments. For example, suppose the customer made proper payments to the account for 12 consecutive months. During these 12 months, the interest rate for the account may have been reduced to 14% and the credit limit increased to $1,000 based on the consecutive timely payments made by the customer. Based on the customer's progress during the previous 12 months, financial account provider 1200 may determine that the customer is less of a financial risk compared to when the customer initially obtained the financial account.")).

Sanchez does not disclose, but **Spitz**, however, does disclose:

- *a transactional processing component operable to receive transactions and clear the transactions against the account* (see at least Spitz, Paragraph 0033).

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate Spitz's method of clearing transactions with Sanchez's methods and systems for managing financial accounts having adjustable account parameters. One of ordinary skill in the art would have been motivated to incorporate this feature because it is essential to clear transactions relating to a financial account. Furthermore, Sanchez discloses, in Paragraph 0023 that "website response vehicle 1110 may handle Internet related communications, such as web based transactions, between customer 1010 and

financial account provider 1200." and in Paragraph 0038 that "[o]nce a payment is due (Step 405: YES), financial account provider 1200 determines whether a payment has been received (Step 410). System 1000 may also allow financial account provider 1200 to determine whether the payment meets certain criteria, such as whether the payment amount equals or exceeds the amount due." Therefore, based on the disclosure in Sanchez, it would be obvious that the system would clear transactions.

Claim 2:

Sanchez further discloses:

- *wherein said decision engine further comprises an underwriting component operable to apply qualification criteria to qualify customers for an account* (see at least Sanchez, Paragraph 0027 ("System 1000 may utilize the information included in central database 1300 to identify the target customers to extend offers for a SGSG financial account. For example, system 1000 may allow financial account provider 1200 to target customers with a propensity to mismanage funds (e.g., carry a high balance, have declared bankruptcy, etc.). Alternatively, financial account provider 1200 may target customers who have a history of making timely payments, have a high income, etc.)) and Paragraph 0029 ("In one configuration consistent with criteria principles related to the present invention, financial account provider 1200 may generate an offer to a target customer based on the financial risk associated with that customer.")).

Claim 3:

Sanchez further discloses:

- *wherein said decision engine further comprises at least one risk model coupled to said underwriting component operable to model risks associated with said financial account and associated with said qualification criteria* (see at least Sanchez, Figure 4 and Paragraphs 0039-0044 (Based on payment activity by the account holder, account parameters may be adjusted (e.g., interest rate, fees, credit limit, account termination)).

Claim 4:

Sanchez further discloses:

- *wherein said account management component further comprises an account behavior component operable to examine a customer's account behavior* (see at

least Sanchez, Figure 4 and Paragraph 0038 ("The SGSG tracking process may be performed by financial account provider 1200 for each SGSG account stored in central database 1300. The tracking process may begin by financial account provider 1200 determining whether a payment associated with a customer's account is due (Step 405). ... Once a payment is due (Step 405: YES), financial account provider 1200 determines whether a payment has been received (Step 410). System 1000 may also allow financial account provider 1200 to determine whether the payment meets certain criteria, such as whether the payment amount equals or exceeds the amount due.")).

Claim 8:

> **Sanchez** further discloses:

- _wherein said decision engine comprises an underwriting component operable to apply qualification criteria and at least one risk model coupled to said underwriting component and associated with said qualification criteria operable to model risks associated with said financial account_ (see at least Sanchez, Figure 4; Paragraph 0027 ("System 1000 may utilize the information included in central database 1300 to identify the target customers to extend offers for a SGSG financial account. For example, system 1000 may allow financial account provider 1200 to target customers with a propensity to mismanage funds (e.g., carry a high balance, have declared bankruptcy, etc.). Alternatively, financial account provider 1200 may target customers who have a history of making timely payments, have a high income, etc.)); Paragraph 0029 ("In one configuration consistent with criteria principles related to the present invention, financial account provider 1200 may generate an offer to a target customer based on the financial risk associated with that customer."); and Paragraphs 0039-0044 (Based on payment activity by the account holder, account parameters may be adjusted (e.g., interest rate, fees, credit limit, account termination)).

20.   **Claims 5, 6, 9, 10, and 21-23** are rejected under 35 U.S.C. 103(a) as being unpatentable over **Sanchez** et al., U.S. Patent Application Publication Number 2002/0188533 A1 in view of **Spitz** et al., U.S. Patent Application Publication Number 2002/0139837 A1, and further in view of **Quittner**, 1996.

Claim 5:

Sanchez further discloses:

- *said account management component is configured to alter parameters of said financial account based on said feedback information* (see at least Sanchez, Figure 4; Paragraph 0038 ("The SGSG tracking process may be performed by financial account provider 1200 for each SGSG account stored in central database 1300. The tracking process may begin by financial account provider 1200 determining whether a payment associated with a customer's account is due (Step 405). ... Once a payment is due (Step 405: YES), financial account provider 1200 determines whether a payment has been received (Step 410). System 1000 may also allow financial account provider 1200 to determine whether the payment meets certain criteria, such as whether the payment amount equals or exceeds the amount due."); and Paragraphs 0039-0044 (Based on payment activity by the account holder, account parameters may be adjusted (e.g., interest rate, fees, credit limit, account termination))).

Sanchez does not disclose, but **Quittner**, however, does disclose:

- *wherein said decision engine is configured to alter underwriting criteria based on said feedback information* (see at least Quittner (Rises in delinquencies are causing credit card issuers to change their underwriting criteria for new cards and further credit for existing customers.)).

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate Quittner's explanation that rises in delinquencies have caused credit card issuers to change their underwriting criteria both for new cards and for additional credit for existing customers with Sanchez's methods and systems for managing financial accounts having adjustable account parameters. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of adjusting the standard for receiving created based on the market. For example, if customers are not making payments and defaulting, companies would require higher credit scores and better risk values before extending credit. They may also increase interest rates in order to recoup their losses. On the other hand, if customers are making timely payments, companies would make it easier to qualify for credit, increase credit limits, and decrease interest rates.

Claim 6:

Sanchez further discloses:

- *wherein said account behavior component further comprises a controller operable to enable and disable functions and privileges of said account based upon said aggregated data* (see at least Sanchez, Figure 4; Paragraph 0038 ("The SGSG tracking process may be performed by financial account provider 1200 for each SGSG account stored in central database 1300. The tracking process may begin by financial account provider 1200 determining whether a payment associated with a customer's account is due (Step 405). … Once a payment is due (Step 405: YES), financial account provider 1200 determines whether a payment has been received (Step 410). System 1000 may also allow financial account provider 1200 to determine whether the payment meets certain criteria, such as whether the payment amount equals or exceeds the amount due."); and Paragraphs 0039-0044 (Based on payment activity by the account holder, account parameters may be adjusted (e.g., interest rate, fees, credit limit, account termination))).

Claim 9:

Sanchez does not disclose, but **Quittner**, however, does disclose:

- *wherein said at least one risk model is coupled to said data aggregation module and said account behavior component, wherein said at least one risk model is operable to update risk models based upon said aggregated data and said account behavior, whereby said qualification criteria is updated* (see at least Quittner (Rises in delinquencies are causing credit card issuers to change their underwriting criteria for new cards and further credit for existing customers.)).

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate Quittner's explanation that rises in delinquencies have caused credit card issuers to change their underwriting criteria both for new cards and for additional credit for existing customers with Sanchez's methods and systems for managing financial accounts having adjustable account parameters. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of adjusting the standard for receiving created based on the market. For example, if customers are not making payments and defaulting, companies would require higher credit scores and better risk values before extending credit. They may also increase interest rates in order to recoup their losses. On the other hand, if customers are making timely payments, companies would make it easier to qualify for credit, increase credit limits, and decrease interest rates.

Claim 10:

Sanchez further discloses:

- *wherein said account management component performs account management and maintenance based upon said risk models* (see at least Sanchez, Figure 4 and Paragraph 0046 ("Based on account history and changes in a risk model, account details may be altered. For example, The floor value of the SGSG account's interest rate may be decreased or the credit limit may be increased. When these changes take place, the account will be managed according to the new specifications.)).

Claim 21:

Sanchez discloses the limitations of:

- *an account management component configured to manage a plurality of financial accounts* (see at least Sanchez, Figure 4 and Paragraph 0038 ("The SGSG tracking process may be performed by financial account provider 1200 for each SGSG account stored in central database 1300. The tracking process may begin by financial account provider 1200 determining whether a payment associated with a customer's account is due (Step 405). ... Once a payment is due (Step 405: YES), financial account provider 1200 determines whether a payment has been received (Step 410). System 1000 may also allow financial account provider 1200 to determine whether the payment meets certain criteria, such as whether the payment amount equals or exceeds the amount due."));

- *a data collection component configured to receive account information for a new account* (see at least Sanchez, Paragraph 0026 ("According to one aspect of the invention, system 1000 may allow financial account provider 1200 to identify specific target customers to receive an offer for a Start Good Stay Good (SGSG) financial account consistent with certain principles related to the present invention (Step 210). To identify a target customer, system 1000 may allow financial account provider 1200 to access central database 1300 to obtain financial account information associated with potential customers. The financial account information may include, for example, financial account data for customers of financial account provider 1200, such as account numbers and account parameters for each credit line associated with a customer. ... A potential customer may be an individual who may not have a financial account

with financial account provider 1200, but may be targeted as an individual whom financial account provider 1200 may want to offer a SGSG credit card product."));

- *a decision engine configured to qualify the new account based on underwriting criteria and the account information* (see at least Sanchez, Paragraph 0027 ("System 1000 may utilize the information included in central database 1300 to identify the target customers to extend offers for a SGSG financial account. For example, system 1000 may allow financial account provider 1200 to target customers with a propensity to mismanage funds (e.g., carry a high balance, have declared bankruptcy, etc.). Alternatively, financial account provider 1200 may target customers who have a history of making timely payments, have a high income, etc.)) and Paragraph 0029 ("In one configuration consistent with criteria principles related to the present invention, financial account provider 1200 may generate an offer to a target customer based on the financial risk associated with that customer."));

- *an account creation component configured to establish the qualified account based on the account information* (see at least Sanchez, Figure 3, Item 320 and Paragraph 0037 ("Once it receives their response, financial account provider 1200 may create a SGSG account associated with the customer in central database 1300 (Step 320)."); and

- *a data aggregation module configured to process transaction data from the transactional processing component and provide feedback information to the account management component and the decision engine for altering the ... parameters of the financial accounts* (see at least Sanchez, Paragraph 0061 ("Furthermore, the financial account provider 1200 may adjust a customer's financial risk value based [on] the customer's progress in satisfying the payment criteria associated with a SGSG financial account. For example, a customer may be provided a SGSG financial account with parameters that are defined based on the credit risk of the customer (e.g., an initial interest rate of 20% and credit limit of $500). After a predetermined amount of time, financial account provider 1200 may re-evaluate the customer's credit risk and make adjustments to the account parameters based on a monitored progress of the customer satisfying criteria associated with the financial account (e.g., making consecutive timely proper payments). These adjustments may be in addition to adjustments previously made to the account's parameters based on proper payments. For example, suppose the customer made proper payments to the account for 12 consecutive

months. During these 12 months, the interest rate for the account may have been reduced to 14% and the credit limit increased to $1,000 based on the consecutive timely payments made by the customer. Based on the customer's progress during the previous 12 months, financial account provider 1200 may determine that the customer is less of a financial risk compared to when the customer initially obtained the financial account.")).

Sanchez does not disclose, but **Spitz**, however, does disclose:

- *a transactional processing component configured to process and monitor transactions between the plurality of financial accounts and a financial transaction network* (see at least Spitz, Paragraph 0033).

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate Spitz's method of clearing transactions with Sanchez's methods and systems for managing financial accounts having adjustable account parameters. One of ordinary skill in the art would have been motivated to incorporate this feature because it is essential to clear transactions relating to a financial account. Furthermore, Sanchez discloses, in Paragraph 0023 that "website response vehicle 1110 may handle Internet related communications, such as web based transactions, between customer 1010 and financial account provider 1200." and in Paragraph 0038 that "[o]nce a payment is due (Step 405: YES), financial account provider 1200 determines whether a payment has been received (Step 410). System 1000 may also allow financial account provider 1200 to determine whether the payment meets certain criteria, such as whether the payment amount equals or exceeds the amount due." Therefore, based on the disclosure in Sanchez, it would be obvious that the system would clear transactions.

Sanchez does not disclose, but **Quittner**, however, does disclose:

- *for altering the underwriting criteria* (see at least Quittner (Rises in delinquencies are causing credit card issuers to change their underwriting criteria for new cards and further credit for existing customers.)).

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate Quittner's explanation that rises in delinquencies have caused credit card issuers to change their underwriting criteria both for new cards and for additional credit for existing customers with Sanchez's methods and systems for managing financial accounts having adjustable account parameters. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of adjusting the standard for receiving created based on the market. For example, if

customers are not making payments and defaulting, companies would require higher credit scores and better risk values before extending credit. They may also increase interest rates in order to recoup their losses. On the other hand, if customers are making timely payments, companies would make it easier to qualify for credit, increase credit limits, and decrease interest rates.

Claim 22:

Sanchez further discloses:

- *the account management component is configured to alter parameters of the financial accounts based on the feedback information* (see at least Sanchez, Figure 4; Paragraph 0038 ("The SGSG tracking process may be performed by financial account provider 1200 for each SGSG account stored in central database 1300. The tracking process may begin by financial account provider 1200 determining whether a payment associated with a customer's account is due (Step 405). … Once a payment is due (Step 405: YES), financial account provider 1200 determines whether a payment has been received (Step 410). System 1000 may also allow financial account provider 1200 to determine whether the payment meets certain criteria, such as whether the payment amount equals or exceeds the amount due."); and Paragraphs 0039-0044 (Based on payment activity by the account holder, account parameters may be adjusted (e.g., interest rate, fees, credit limit, account termination))).

Sanchez does not disclose, but **Quittner**, however, does disclose:

- *wherein the decision engine is configured to alter the underwriting criteria based on the feedback information* (see at least Quittner (Rises in delinquencies are causing credit card issuers to change their underwriting criteria for new cards and further credit for existing customers.)).

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate Quittner's explanation that rises in delinquencies have caused credit card issuers to change their underwriting criteria both for new cards and for additional credit for existing customers with Sanchez's methods and systems for managing financial accounts having adjustable account parameters. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of adjusting the standard for receiving created based on the market. For example, if customers are not making payments and defaulting, companies would require higher credit scores and better risk values before extending credit. They may also increase

interest rates in order to recoup their losses. On the other hand, if customers are making timely payments, companies would make it easier to qualify for credit, increase credit limits, and decrease interest rates.

Claim 23:

Sanchez does not disclose, but **Quittner**, however, does disclose:

- *wherein the decision engine interfaces with a risk model which is updated based on the feedback information from the data aggregation module* (see at least Quittner (Rises in delinquencies are causing credit card issuers to change their underwriting criteria for new cards and further credit for existing customers.)).

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate Quittner's explanation that rises in delinquencies have caused credit card issuers to change their underwriting criteria both for new cards and for additional credit for existing customers with Sanchez's methods and systems for managing financial accounts having adjustable account parameters. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of adjusting the standard for receiving created based on the market. For example, if customers are not making payments and defaulting, companies would require higher credit scores and better risk values before extending credit. They may also increase interest rates in order to recoup their losses. On the other hand, if customers are making timely payments, companies would make it easier to qualify for credit, increase credit limits, and decrease interest rates.

21.   **Claims 11, 13, and 15-19** are rejected under 35 U.S.C. 103(a) as being unpatentable over **Sanchez** et al., U.S. Patent Application Publication Number 2002/0188533 A1 in view of **Quittner**, 1996.

Claim 11:

Sanchez discloses the limitations of:

- *aggregating transaction data regarding a plurality of financial accounts* (see at least Sanchez, Paragraphs 0028-0029 (In one embodiment, "financial account provider 1200 may generate an offer to a target customer based on the financial risk associated with the customer." This financial risk can be based on a credit score or it may be based on "a customer's potential for making late payments and overcharging a financial account based on past payment history data."

Information related to existing customer accounts is aggregated and then used to determine financial risk of the customer.)); and

- *modifying the services available to the financial account based on the aggregated transaction data* (see at least Sanchez, Figure 4; Paragraph 0029 (Parameters, such as interest rate and credit limit, "may vary based on the financial risk of the customer."); and Paragraph 0061).

Sanchez does not disclose, but **Quittner**, however, does disclose:

- *modifying underwriting criteria for new financial accounts based on the aggregated transaction data* (see at least Quittner (Rises in delinquencies are causing credit card issuers to change their underwriting criteria for new cards and further credit for existing customers.)).

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate Quittner's explanation that rises in delinquencies have caused credit card issuers to change their underwriting criteria both for new cards and for additional credit for existing customers with Sanchez's methods and systems for managing financial accounts having adjustable account parameters. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of adjusting the standard for receiving created based on the market. For example, if customers are not making payments and defaulting, companies would require higher credit scores and better risk values before extending credit. They may also increase interest rates in order to recoup their losses. On the other hand, if customers are making timely payments, companies would make it easier to qualify for credit, increase credit limits, and decrease interest rates.

Claim 13:

Sanchez further discloses:

- *wherein a risk model is available* (see at least Sanchez, Figure 4 and Paragraphs 0039-0044 (Based on payment activity by the account holder, account parameters may be adjusted (e.g., interest rate, fees, credit limit, account termination)); and
- *running the risk model based at least in part on the aggregated transaction data* (see at least Sanchez, Figure 4; Paragraph 0029 (Parameters, such as interest rate and credit limit, "may vary based on the financial risk of the customer."); and Paragraph 0061).

Sanchez does not disclose, but **Quittner**, however, does disclose:

- *modifying the underwriting criteria based at least in part on the results of the risk model* (see at least Quittner (Rises in delinquencies are causing credit card issuers to change their underwriting criteria for new cards and further credit for existing customers.)).

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate Quittner's explanation that rises in delinquencies have caused credit card issuers to change their underwriting criteria both for new cards and for additional credit for existing customers with Sanchez's methods and systems for managing financial accounts having adjustable account parameters. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of adjusting the standard for receiving created based on the market. For example, if customers are not making payments and defaulting, companies would require higher credit scores and better risk values before extending credit. They may also increase interest rates in order to recoup their losses. On the other hand, if customers are making timely payments, companies would make it easier to qualify for credit, increase credit limits, and decrease interest rates.

Claim 15:

Sanchez does not disclose, but **Quittner**, however, does disclose:

- *wherein the step of modifying the services comprises the step of modifying the underwriting criteria* (see at least Quittner (Rises in delinquencies are causing credit card issuers to change their underwriting criteria for new cards and further credit for existing customers.)).

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate Quittner's explanation that rises in delinquencies have caused credit card issuers to change their underwriting criteria both for new cards and for additional credit for existing customers with Sanchez's methods and systems for managing financial accounts having adjustable account parameters. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of adjusting the standard for receiving created based on the market. For example, if customers are not making payments and defaulting, companies would require higher credit scores and better risk values before extending credit. They may also increase interest rates in order to recoup their losses. On the other hand, if customers are making timely payments, companies would make it easier to qualify for credit, increase credit limits, and decrease interest rates.

Claim 16:

      Sanchez further discloses:

- *wherein the step of modifying the services comprises the step of modifying the fees associated with services* (see at least Sanchez, Paragraph 0057 (Fees may altered based on payments made by the customer.)).

Claim 17:

      Sanchez further discloses:

- *wherein the step of aggregating transaction data comprises the step of receiving transaction information regarding financial transactions associated with the financial account* (see at least Sanchez, Paragraphs 0028-0029 (In one embodiment, "financial account provider 1200 may generate an offer to a target customer based on the financial risk associated with the customer." This financial risk can be based on a credit score or it may be based on "a customer's potential for making late payments and overcharging a financial account based on past payment history data." Information related to existing customer accounts is aggregated and then used to determine financial risk of the customer.)).

Claim 18:

      Sanchez further discloses:

- *wherein the step of modifying the services comprises the step of modifying a line of credit associated with the financial account* (see at least Sanchez, Figure 4; Paragraph 0029 (Parameters, such as interest rate and credit limit, "may vary based on the financial risk of the customer."); and Paragraph 0061).

Claim 19:

      Sanchez further discloses:

- *wherein the step of modifying the services comprises the step of modifying restrictions on transactions for the financial account* (see at least Sanchez, Figure 4; Paragraph 0029 (Parameters, such as interest rate and credit limit, "may vary based on the financial risk of the customer."); and Paragraph 0061).

22.   Claim 20 is rejected under 35 U.S.C. 103(a) as being unpatentable over **Sanchez** et al., U.S. Patent Application Publication Number 2002/0188533 A1 in view of **Quittner**, 1996, and further in view of **O'Neil**, U.S. Patent Number 6,226,364 B1.

Claim 20:
Sanchez does not disclose, but **O'Neil**, however, does disclose:

- *wherein the step of modifying the services comprises the step of temporarily disabling one or more services associated with the financial account* (see at least O'Neil, column 1, lines 31-41 (When the customer is defaulting on payments, service is deactivated until the balance has been paid.)).

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate O'Neil's method of deactivating an account until the balance is paid with Sanchez's methods and systems for managing financial accounts having adjustable account parameters. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of preventing a customer from using an account when a balance is unpaid and increasing that balance. Furthermore, if an account is temporarily disabled, there will be a greater incentive for the customer to pay the balance.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to ELIZABETH ROSEN whose telephone number is (571) 270-1850. The examiner can normally be reached on Monday-Friday, 8:30am-6:00pm est, ALT Fridays off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached at 571-272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Nga B. Nguyen/
Primary Examiner, Art Unit 3692